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NORTHEAST REPORTS QUARTER'S FINANCIAL POLICIES;
EAST CHINA GIVES RENT REDUCTION RESULTS

REPORTS FINANCIAL CONDITION -- Mukden Tung-pei Jih-pao, 19 Jul 50

Two cadre meetings were called in July 1950 by the Northeast Ministry of Finance, at which the results of the second quarter's financial policies were discussed and plans drawn for the third quarter.

The second quarter was faced with the prospects of poor receipts and large expenditures for economic reconstruction. It was necessary, therefore, to increase income and reduce expenditures so as to achieve financial stability and eliminate a deficit. This goal was achieved by the close cooperation of the Northeast People's government and all subordinate units.

Industry and commerce tax and commodity tax quotas were slightly exceeded during the second quarter, but customs receipts met only 62.9 percent of quota. Only 42.8 percent of the profits quota from state enterprises were realized, but it is anticipated that increased income in the third and fourth quarters will enable a successful completion of the quota for the entire year.

Profits from domestic trade met expectations, but because the amount of import goods fell below the original plan, profits from foreign trade for the first 6 months amounted to only 38 percent of the yearly quota.

Profits from the lumber industry reached only 24.3 percent of quota.

Expenditures for the second quarter exceeded the original plan by more than 18 percent. This excess was occasioned by the assumption of certain responsibilities on behalf of the Central government. Moreover, 47 percent of expenditures went for capital investment, in addition to other outlays for business enterprises and administration.

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Measures taken to stabilize finances in the Northeast have now been completed, affording a sound foundation for operations in the third quarter.

GIVES RENT-REDUCTION RESULTS IN PEIPING -- Jen-min Jih-pao, 19 Jul 50

A large-scale rent-reduction movement was launched in villages throughout the Central and South China District in the spring of 1950. The movement was carried out in 50 percent of Honan and over 80 percent of Hupeh, Hunan and Kiangsi, offering favorable conditions for land reform in autumn 1950.

The rent reduction was made possible by successive stages, of bandit suppression, overthrowing of local tyrants, and the political influence of landlords. As the economic situation of the peasants improved and their awareness grew, they began to organize themselves into unions and demand a reduction in rents. Their demands were accentuated by bad economic conditions resulting from KMT depredations and natural calamities.

The Central and South China Military and Administrative Committee (CSCMAC) and the Central and South China Bureau of the CCP took action by issuing regulations and directives in late February and early March governing the application of rent reduction. By the end of May, 1950, the first stage of this movement, unprecedented in scope, was completed, with a total reduction of 886 million catties of grain.

During the movement, the organization of peasant unions and militia increased enormously. Members of unions expanded to 13,500,000. In 15,900 villages in Hupeh, for example, 13,000 established peasant unions, 13,400 abolished the conservative pao-chia system, and over 140,000 persons were organized into militia.

Instrumental in launching the movement were the all-circles' people's delegates' assemblies called by each hsien. By discussing the issue in the conference, the various democratic classes were made familiar with government policies, obstructions were reduced, and the movement was allowed speedy development.

Agricultural delegates' assemblies were also widely used to further the movement. Depending on individual conditions, each area either elected or appointed its delegates, who were then screened to eliminate improper elements. After drawing up rent-reduction plans, the delegates returned to their respective villages to agitate the masses.

NORTHEAST BALANCES' WHOLESALE, RETAIL PRICES -- Mukden Tung-pei Jih-pao, 23 Jul 50

The Northeast Ministry of Trade, to maintain prices at an equitable level and at the same time provide for a reasonable income for handlers and service operators, has set up the following margins between wholesale and retail prices:

<u>Items</u>	<u>Margin (%)</u>
Cotton cloth in bundles or bolts	5.47
General merchandise	7.25
Higher priced luxury goods	8.47
Grain (catty)	6.65
Bean oil (catty)	6.00
Flour (sack)	5.90
Salt (catty)	6.47
Mine-run coal (ton)	16.06
Coke	13.04
Timber (cu m)	8.54
Lime (ton)	6.00

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Cooperatives will be given the advantage of a wholesale price 1.5 percent lower than wholesale houses.

The above rates may be adjusted in the future according to the results of their application.

CCP CUTS TAX ON EXPORT GOODS -- Tsinan Ta-chung Jih-pao, 19 Jul 50

Peiping, 17 July (Hsin-hua) -- The Revenue Bureau of the Ministry of Finance of the Central People's government has announced the whole or partial reduction of the customary commodity tax on a number of export items. The tax on cement, glass and glassware, casings, flannel, condiments, firecrackers, and cans has been removed completely, effective 1 July 1950, and liquors, beer, various religious articles, and essences reduced 50 percent.

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